

# CAN GOVERNMENT PROGRAMS STAY WITHIN BUDGET?

The SPEAKER pro tempore. Under a previous order of the House, the gentlewoman from North Carolina (Ms. FOXX) is recognized for 5 minutes.

Ms. FOXX. Mr. Speaker, today, the House rushed through a bill that provides an additional \$2 billion for the so-called Cash for Clunkers program. Apparently, the lure of free money from Uncle Sam provoked such a tsunami of clunkers that the program is already broke.

Mr. Speaker, everyone loves "free money." The bailed-out banks loved their \$700 billion last fall. The bailed-out automakers loved their \$86 billion. So it's not a surprise that the initial funding for Cash for Clunkers dried up in a matter of days.

So the question is: If the government so underestimated the cost of this program, and if the backlog of requests from dealers is already so huge, what does this tell us about these types of government programs—that maybe they don't always function as they were predicted to, and that sometimes they cost taxpayers much more than was estimated?

One large dealership group in Utah had this to say about the hoops they had to jump through to avoid the fines for noncompliance: The auto dealer said, "Dealers are being asked to be compliant with several rules that are often confusing and unrealistic . . . it is apparent that those writing the rules don't understand how a car deal actually happens."

This dealer went on to say that the government agency in charge of the Cash for Clunkers program has "threatened large fines for noncompliance. We are a top-10 dealer group in the country, and have gone to great lengths to be compliant, but it is even confusing to us. It will be a nightmare for the many smaller dealerships around the country."

So far, we've learned several things from this Cash for Clunkers program. Lesson 1: Businesses and consumers really love free money—except when they're the ones paying for someone else's free money. Lesson 2: The government is abysmal at predicting how much programs will cost. Lesson 3: Complying with Federal mandates is a nightmare.

Of course, we should not overlook the fact that there may very well be some unintended consequences of this program. For instance, The New York Times reported in April that France had a similar program from 1994 to 1996. Guess what? It worked. Well, kind of. There were lots of auto sales initially, but the program was followed by a severe drop in auto sales in 1997 and in 1998. Isn't that interesting? It turns out the program was simply shifting demand forward. What is keeping the U.S. Cash for Clunkers program from doing the same thing? Nothing.

Let's return to Lesson 2: Congress' inability to accurately estimate the

cost or the effect of new government programs.

Based on research from Congress' Joint Economic Committee over the years, congressional estimates of the cost of health care programs have been extremely unreliable. For example, when Congress was considering Medicare part A, the hospital insurance component, Congress estimated it would cost \$9 billion by 1990. The actual cost in 1990 was \$67 billion, 7 times more than Congress estimated. The 1967 estimate for the entire Medicare program in 1990 was \$12 billion. The actual cost? \$111 billion. It was almost 10 times the original estimate.

Later, in 1987, Congress estimated that Medicaid's disproportionate share of hospital payments to States would cost less than \$1 billion in 1992. Five years later, the results were in. It was \$17 billion, which is an incomprehensible 17-fold increase over the estimate from just 5 years earlier. You get the idea.

Today's Cash for Clunkers example is just the latest in a long line of programs that turned out to be dramatically more expensive than anyone predicted, not to mention notoriously difficult to comply with or to figure out. Perhaps the most amazing part of this example is that it reminds me of the ongoing discussion over health care reform.

Here we've got a health system that is in need of reform, and some people are pushing a bill that amounts to a government takeover of health care. They like to call it a "public option." The Congressional Budget Office already has said it would add \$239 billion to the deficit over 10 years, but as we've just seen, government programs have a tendency to take on a life of their own and cost taxpayers way more than was originally estimated or envisioned.

While I'm willing to allow for some margin of error in estimated costs—they are estimates after all—what concerns me is that, today, we're starting out with estimates for huge deficits with this health care plan. At the same time, we're paying for it out of the pockets of America's job creators—small businesses.

If the current proposal becomes law, are we going to be coming back to these small businesses with another tax increase in 5 or 10 years? With our track record on programs like Cash for Clunkers, that wouldn't surprise me one bit.

The SPEAKER pro tempore. Under a previous order of the House, the gentlewoman from California (Ms. LINDA T. SÁNCHEZ) is recognized for 5 minutes.

(Ms. LINDA T. SÁNCHEZ of California addressed the House. Her remarks will appear hereafter in the Extensions of Remarks.)

The SPEAKER pro tempore. Under a previous order of the House, the gen-

tleman from Indiana (Mr. BURTON) is recognized for 5 minutes.

(Mr. BURTON of Indiana addressed the House. His remarks will appear hereafter in the Extensions of Remarks.)

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Texas (Mr. GOHMERT) is recognized for 5 minutes.

(Mr. GOHMERT addressed the House. His remarks will appear hereafter in the Extensions of Remarks.)

The SPEAKER pro tempore. Under a previous order of the House, the gentlewoman from Texas (Ms. JACKSON LEE) is recognized for 5 minutes.

Ms. JACKSON-LEE of Texas addressed the House. Her remarks will appear hereafter in the Extensions of Remarks.)

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Kansas (Mr. MORAN) is recognized for 5 minutes.

(Mr. MORAN of Kansas addressed the House. His remarks will appear hereafter in the Extensions of Remarks.)

The SPEAKER pro tempore. Under a previous order of the House, the gentlewoman from Minnesota (Mrs. BACHMANN) is recognized for 5 minutes.

(Mrs. BACHMANN addressed the House. Her remarks will appear hereafter in the Extensions of Remarks.)

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Texas (Mr. PAUL) is recognized for 5 minutes.

(Mr. PAUL addressed the House. His remarks will appear hereafter in the Extensions of Remarks.)

## REFILE THE VOTER INTIMIDATION CASE AGAINST THE NEW BLACK PANTHER PARTY

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Virginia (Mr. WOLF) is recognized for 5 minutes.

Mr. WOLF. Mr. Speaker, earlier today, I sent a letter to Attorney General Eric Holder, which I submit for the RECORD, imploring him to refile the voter intimidation case against the New Black Panther Party that was inexplicably dismissed in May.

This case was brought in January by career attorneys in the department's Civil Rights Division against the party and several of its members for deploying uniformed men to a polling station in Philadelphia on election day last November to harass and intimidate voters—one of whom brandished a nightstick to the voters.

The public can view video of the incident as well as other examples of their intimidation in a January 2009 National Geographic Channel documentary that is posted on the Web at [www.electionjournal.org](http://www.electionjournal.org).